

Education Cabinet

Kentucky's November 2007 unemployment rate falls to lowest point in more than six years

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FRANKFORT, Ky. — Kentucky's seasonally adjusted unemployment rate dropped from 5.6 percent in October 2007 to 5 percent in November 2007, its lowest level since April 2001, according to the Office of Employment and Training (OET), an agency of the Kentucky Education Cabinet. November 2006's jobless rate was 5.6 percent.

The U.S. seasonally adjusted jobless rate remained at 4.7 percent from October 2007 to November 2007, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Six of the 11 major nonfarm job North American Industry Classification System (NAICS) sectors reported employment increases in November 2007, while two decreased, and three were unchanged, according to OET. An increase of 1,600 jobs in November 2007 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,860,100. Since November 2006, Kentucky's nonfarm employment has risen by 14,000.

"Despite facing the economic headwinds of a severe housing slump, tightening credit conditions, rising food and energy prices, and a volatile stock market, Kentucky's economy showed resiliency, as the state's unemployment rate dropped to its lowest level since April 2001," said Justine Detzel, OET chief labor market analyst.

According to the seasonally adjusted employment data, the government sector, which includes public education, public administration agencies, and state-owned hospitals, added 500 jobs in November 2007. Since November 2006, this sector has risen by 6,200 jobs.

Kentucky's trade, transportation and utilities sector had 500 more jobs in November 2007. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities, and is the largest sector in Kentucky with 380,000 employees. Since November 2006, the number of jobs in this sector has increased by 700.

The number of jobs in the professional and business services sector rose by 400 in November 2007. This area had 3,900 more employees in November 2007 than in November 2006. The professional and business services sector includes professional, scientific and technical services, management of companies, and administrative and support management, including temporary help agencies.

"The majority of the employment gain in the professional and business services sector occurred in administrative and support management businesses including temporary help agencies," said Detzel.

Kentucky's educational and health services sector grew by 300 jobs in November 2007. Since last November, this segment has gained 2,800 jobs. This sector includes private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients.

The employment figure in the natural resources and mining sector rose by 200 jobs from October 2007 to November 2007. Since November 2006, the segment has risen by 800 jobs.

The information sector reported 100 more jobs in November 2007. This segment, which includes firms involved in publishing, Internet activities, and broadcasting and news syndication, has gained 100 jobs in the last year.

The number of jobs in the manufacturing sector held steady between October 2007 and November 2007. Compared to November 2006, jobs in the sector were down by 5,200 in November 2007.

"This over-the-year employment decrease in manufacturing is concentrated in the non-durable goods subsector, which includes items such as clothing. However, both the durable goods and non-durable goods subsectors experienced an employment loss," said Detzel.

"Manufacturers of durable goods, such as furniture and appliance makers, are negatively impacted by a decline in the housing market. Moreover, with credit more difficult to obtain and housing values sliding, consumers are reluctant to purchase big-ticket items such as automobiles," she said.

After two months of job losses, employment in the construction sector remained constant in November 2007. Since November 2006, employment in this sector has increased by 800 positions.

The state's other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations, and civic and professional organizations, remained the same in November 2007. This area had 900 more jobs in November 2007 than in November 2006.

The financial activities sector fell by 300 jobs in November 2007. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has added 1,400 positions over the past 12 months.

The leisure and hospitality sector lost 100 jobs in November 2007. Since November 2006, employment in the sector has increased by 1,600 positions. The leisure and hospitality sector includes arts, entertainment, recreation, accommodations, and food services and drinking places industries.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for November 2007 was 1,954,451 on a seasonally adjusted basis. This figure is up 10,358 from the

1,944,093 employed in October 2007, and up 19,158 from the 1,935,293 employed in November 2006.

The monthly estimate of the number of unemployed Kentuckians for November 2007 was 102,793, down 13,614 from the 116,407 Kentuckians unemployed in October 2007, and down 11,060 from the 113,853 unemployed in November 2006.

The monthly estimate of the number of Kentuckians in the civilian labor force for November 2007 was 2,057,244. This figure is down 3,256 from the 2,060,500 recorded in October 2007, but up 8,098 from the 2,049,146 recorded for November 2006.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.